

CITY COUNCIL OF THE CITY OF ANNAPOLIS

ORDINANCE NO. O-27-04

Introduced by Mayor Moyer, Alderman Cordle, Alderman Fox

AN ORDINANCE concerning

Sprinkler Assistance Revolving Fund

FOR the purpose of establishing a Sprinkler Assistance Revolving Fund to encourage the installation of sprinklers in older building throughout the City ; and matters generally relating to said revolving fund.

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BY adding a new Section 17.20.100 to the Code of the City of Annapolis, 2005 Edition

SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that the Code of the City of Annapolis shall read as follows:

Section 17.20.100 Sprinkler Assistance Revolving Fund.

A. Purpose: The Director of Finance shall establish and maintain a Sprinkler Assistance Revolving Fund and necessary procedures for the purpose of encouraging the installation of sprinklers in older buildings throughout the City so as to increase the safety of residents and to minimize damage resulting from fire and to allow greater utilization of currently vacant or underutilized space. The program will operate by making low cost loans to developers or property owners of older buildings that do not have currently have sprinkler systems installed at the time of application.

B. Financing of Revolving Fund: Through the normal City budgeting and amendment process, funds are authorized to be allocated to the Sprinkler Assistance Revolving Fund from the General Fund. Funds may be made available for this purpose during any budget year. As loans are repaid back into the fund, those amounts become available for new loans. At no time may the total outstanding balance of all loans exceed the total amounts made available in the budget process.

C. Interest Rate: The interest rate to be charged to the borrower is to be one percent per annum unless otherwise established by resolution of the City Council.

C. Eligibility: Loans may only be made to developers or owners for the rehabilitation of existing commercial or residential buildings. Further, loans may only be made where such loans are part of a funding package that will result in the affected building

1 being fully sprinkled consistent with (Code reference). Loans may not be made for new
2 buildings. Eligible costs that may be funded with the loan proceeds are limited to the
3 installation of sprinklers, including labor and materials, and hook-up to the City water
4 supply.

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6 D. Loan approval: Applications that are complete and meet all appropriate
7 requirements may be approved by the Director of Finance on a first come, first served
8 basis. If the loans requested in complete applications in hand exceed the amount available
9 for new loans, the applications shall be ranked by age of building, location of building,
10 historical significance, and other relevant factors as determined by the Director of Finance.
11 A loan may be recalled by the Director of Finance if the Chief of the Fire Department and/or
12 the Director of Neighborhood and Environmental Programs find that any element of the
13 rehabilitation of the building for which a sprinkler loan is requested is not in compliance with
14 applicable provisions of the City Code.

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16 E. Loan Disbursement: Upon issuance of the building permit by the Department
17 of Neighborhood and Environmental Programs, the Director of Finance may disburse the
18 funds for the approved loan to the borrower. The borrower must request disbursement of
19 the loan within one year of notification of loan approval unless the Chief of the Fire
20 Department and/or the Director of Neighborhood and Environmental Programs find that
21 the delay in the borrower's request for disbursement is not due to factors under the
22 borrower's control.

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24 F. Repayment: Repayment of the loan by the borrower will be made on a
25 monthly basis according to terms and procedures established by the Director of Finance.
26 A loan period may not exceed five years from the date the funds are disbursed to the
27 borrower. However, if the property for which the loan is made is sold within the loan period,
28 then the outstanding balance of the loan on the date of sale must be repaid within 30 days.
29 The amount of the outstanding balance of the loan shall be secured by a lien placed upon
30 the property and shall be collected and enforced in the same manner as real property
31 taxes.

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33 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
34 **ANNAPOLIS CITY COUNCIL** that this Ordinance shall take effect from the date of its
35 passage.

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37 **ADOPTED** this 13th day of December, 2004.

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39 **ATTEST:**

THE ANNAPOLIS CITY COUNCIL

40
41 **BY:**

42 _____
Deborah Heinbuch, MMC, City Clerk

ELLEN O. MOYER, MAYOR

EXPLANATION:

Redlining indicates matter added to existing law.

~~Strike Out indicates matter deleted from existing law.~~

Underlining indicates amendments.

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